Financial literacy needs of South African third-year university students

Abstract
It is evident from the literature that financial education and financial training fail in South Africa, which results in tertiary institutions sending their students into the world with a lack of preparedness for the financial challenges that await them. The problem with this study is that before interventions can be designed, a thorough understanding of the needs of students is important. Therefore, the purpose of this case study is to evaluate the financial literacy needs of third-year students at a South African university. The research fulfills the purpose by means of a survey, where a questionnaire was developed to first evaluate the socio-economic environment and exposure to the world of finance and then the financial literacy of 424 students who participated in this study. The contribution of this study is, first, that with the existing literature as a basis and a cluster analysis of the results, a new suitable questionnaire to evaluate financial literacy was developed for the South African context. Furthermore, the study uncovered the areas where the respondents, who are mainly financially supported by their parents, have a high level of literacy, as well as the areas of illiteracy that need to be addressed.

URI
http://hdl.handle.net/10394/14005

Collections
Faculty of Economic and Management Sciences [1360]
The issue of financial literacy and financial well-being among college students has received increasing research attention. Reyers (2016) used data from a national survey of South Africans to determine whether advice could substitute for low levels of financial sophistication. Additionally, the quality of advice in preretirement cash-out decisions was assessed using survey data collected at a university. p=current estimate of proportion of university students in Ghana who are financially literate based on past surveys (Gyimah et al., 2018; Opong Boakye et al., 2013 and Ansong et al., 2012) n=required sample size. The study employed stratified random sampling (by faculty) approach for the collection of data.